GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:713
ANSWERED ON:22.11.2002
INFLATION RATE
PATY RIPPLE KYNDIAH;SHRINIWAS DADASAHEB PATIL

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) Whether the Government are aware that inflation rate touched a new high of the year crossing 3% in the week ended August 10, 2002 due to burgeoning prices of cereals, gram, vegetable oil, fodder, processed tea, textiles, mineral, metals etc. and petroleum products; and

(b) If so, the steps taken by the Government to contain the inflation rate?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) The first four months of the current financial year were characterised by a low inflation rate of less than 3 percent. The annual point to point inflation rate based on the Wholesale Price Index crossed 3 % (provisional)for the week ended August 10, 2002 which is still regarded as low inflation rate. Marginal rise or fall in inflation merely reflects the seasonal price variations. Only edible oil prices exhibited a sharp rise during the year, reflecting the impact of the uptrend in imported edible oil prices compounded further by higher import duties.

(b) Government made concerted efforts to keep inflation under control through effective supply management as also through close monitoring of prices and supply of essential commodities. Record public stocks of foodgrains at around 51 million tonnes ensured comfortable supply situation of foodgrains and helped stabilise their prices. Government`s liberal release of surplus foodgrain stocks under various welfare schemes provided increased support to the vulnerable sections of the society.